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Note: Comments and queries regarding this publication are welcomed.

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ECONOMIC INTELLIGENCE WEEKLY**Articles****FLOW OF INVESTMENT AND AID TO EGYPT DELAYED**

Transportation bottlenecks and administrative delays are slowing the flow of Arab aid and Western foreign investment to Egypt.

The most conspicuous bottleneck is congestion at Alexandria, the country's only fully operative port. At the end of June, almost a million tons of cargo were piled up on the piers and 42 ships were waiting for berthing space. These conditions highlight Egypt's need to concentrate on the redevelopment of the Suez Canal area, which can be serviced by newly reopened ports at Suez and Port Said.

Administrative problems are impeding the flow of financial assistance. More than \$3 billion in project aid and private venture capital has been offered, but Egyptian authorities seem unable to come up with a list of priorities or to conduct feasibility studies. State bureaucrats are reluctant to hand over information, normally considered proprietary, that would enable prospective donors and investors to formulate their own judgments. The proposed US-Egyptian joint planning and project study commission is intended to minimize these problems for USAID and for US investors.

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JAPAN INCREASES INVESTMENT IN OVERSEAS STEEL

Japanese firms are building crude steel capacity overseas to protect their foreign markets. Plans for joint ventures and financial assistance have been announced for the construction of 16 new steel plants and the expansion of 3 existing plants at a cost of about \$9 billion. From a current base of less than 2 million tons, these plans will add 31 million tons of new capacity by 1980 and 54 million tons by 1985.

Output from the new plants will be consumed primarily in the host countries, replacing purchases now made in Japan. By relieving strains on Japan's steel industry, capacity will be freed for the domestic market. Plans call for only a 4% annual expansion in domestic Japanese steel capacity, in part because of siting problems, to around 175 million tons of crude steel in 1980.

The bulk of the overseas steel projects are being undertaken in Latin America, the Middle East, and Southeast Asia. About half of the new capacity will be located in Brazil. Most of the facilities under construction are integrated mills. Pipe, sheet, and structural steel will make up the bulk of the output.

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Planned Japanese Equity Investment in Overseas Steel Plants

	Parent Company	Foreign Venture	Japanese Equity Par- ticipation (Percent)	New Capacity (Million Tons)	Cost (Million US \$)
Brazil	Nippon Steel Corp. C. Itoh and Co. Mitsui and Co.	Construction S.A.	16.7	2.0 by 1980	500
	Kawasaki Steel Corp. Societa Finanziaria Siderurgica of Italy	Brazil's Siderbras S.A.	24.5	3.0 by 1977 6.0 by 1985	750
	Nippon Steel Corp.	Nippon Usiminas Co., Ltd.	20	4.0 by 1980	800
	Kobe Steel, Ltd.	N.A.	N.A.	1.2 by 1980 5.0 by 1985	N.A.
	Nippon Steel Corp.	N.A.	N.A.	5.0 by 1980 12.0 by 1985	1,000
Colombia	Nippon Steel Corp.	Colombian Government	N.A.	0.5 by 1980	N.A.
Mexico	Nippon Steel Corp. Mitsubishi Corp. Mitsui and Co., Ltd.	Fundidora Monterrey S.A.	12	1.0 by 1980	15.5
Abu Dhabi	Kawasaki Steel Corp.	N.A.	N.A.	1.0 by 1980	150
Greece	C. Itoh and Co.	Hellenic Steel Co.	25	1.1 by 1980	500
Qatar	Kobe Steel, Ltd. Tokyo Bocki, Ltd.	Qatar Government	30	0.4 by 1980	160
Saudi Arabia	Nippon Steel Corp.	Petromin Marcona Estel	12.5	3.0 by 1980	550
	Nippon Kokan				
	Sumitomo Metal Ind., Ltd. Sumitomo Shoji	Alireza	49	0.1 by 1980	26
Australia	Sumitomo Metal Ind., Ltd.	Broken Hill Proprietary US Steel Corp. British Steel Corp. Hoogovens	N.A.	3.0 by 1980 10.0 by 1985	over 1,000
Indonesia	Marubeni Corp. Toshin Steel Co., Ltd.	N.V. Sumera Sims Consolidate, Ltd.	N.A.	N.A.	N.A.
Canada	Nippon Kokan	Canadian Government British Columbian Govern- ment	N.A.	3.0 by 1980	over 1,000
United States	Tosa Steel Works	Tamco	50	0.4 by 1980	17

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Non-Equity Japanese Financing of Overseas Steel Plants

	Japanese Participants	Financial Assistance (Million US \$)	Capacity (Million Tons)	Cost (Million US \$)
Mexico	Export-Import Bank, commercial banks	75	1.2 by 1980	630
Algeria	Nippon Loei	N.A.	2 by 1985	1,200
South Korea	Export-Import Bank	45	1.6 by 1980	500

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**FEAR OF NEW BANK FAILURES CONTINUES
TO DOMINATE CURRENCY TRADING**

Currency trading in Europe remains depressed in the wake of last month's failure of the West German bank I.D. Herstatt. The belief that other European banks will fail in the next few months has led to the adoption of more cautious trading practices.

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The skittishness of the banking community has had several effects:

- Only spot currency transactions necessary for non-speculative needs are being executed.
- Forward currency trading remains light and costly.
- Most currency trading has shifted to large, reputable banks.
- Most US banks are now issuing currency orders that they can cancel within 24 hours.

The cancellation provision has caused dissension. US banks instituted the procedure on the Monday following the Herstatt failure. Only a few orders with some Italian banks have, in fact, been canceled but some Swiss banks have retaliated by insisting on similar provisions when dealing with US institutions.

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WORLD BEEF GLUT DISRUPTS TRADE

The turnaround during the past 12 months from world beef shortage to oversupply is inducing nations to take actions that are disruptive to the international beef trade. Exports by major producers are expected to drop 25% this year.

Beef supplies began to increase in late 1973 following a three-year buildup in herd size. This buildup coincided with a slowdown in the growth of world demand. The resulting decline in beef prices along with increased costs of feedgrains and other inputs caught producers in a severe cost-price squeeze. They are now withholding cattle from market, but they cannot do so indefinitely. Unless world demand recovers or feed prices fall, producers will be forced to reduce their herds, which would result in an especially large increase in world beef production next year.

Cattle Numbers and Beef Production, Selected Countries¹

	1972	1973	1974 ²	Percent Increase 1974 over 1973
Cattle numbers	Million Head			
South America	192.9	199.4	205.0	2.8
United States	117.9	121.5	127.5	4.9
USSR	102.4	104.0	106.2	2.1
EC	71.7	74.8	78.2	4.5
Australia	27.4	29.1	31.5	8.2
Mexico	26.1	26.8	27.1	1.1
Canada	12.3	12.6	13.4	6.3
New Zealand	8.8	9.1	9.2	1.1
Beef production	Million Tons			
United States	10.3	9.8	10.1	3.1
EC	5.4	5.6	6.1	8.9
Australia and New Zealand	1.7	1.9	2.0	5.3

1. Cattle numbers are for the beginning of the year, and beef production for the end of the year.

2. Estimated.

The EC and Japan, the major foreign beef importers, have stopped beef imports to protect domestic producers. The EC has banned almost all beef imports from 16 July to 31 October. The Japanese temporarily suspended beef import quotas

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on 1 February and have extended the suspension for the rest of the year. Despite the import cutoff, EC cattle prices have fallen more than 10% below the guaranteed purchase price, necessitating subsidized purchases that have raised Commission beef stocks to some 130,000 tons – near storage capacity.

A major new source of beef demand in international markets is the USSR, which is taking advantage of depressed world prices to supplement the low level of domestic consumption. [redacted] the Soviets had bought 110,000 to 120,000 tons of beef, primarily from Yugoslavia, France, and Argentina. A purchase of 50,000 tons from the EC reported earlier has not yet been confirmed.

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The United States, as the only major consumer without an import ban, can expect import pressures to intensify. Thus far, the major exporters to the United States – Australia and New Zealand – have voluntarily restricted shipments to avoid the risk of having permanent quotas reinstated. [redacted]

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TRADE NEGOTIATIONS MAKE LITTLE HEADWAY

Little progress was made at last week's meeting of the GATT Trade Negotiations Committee (TNC) – the committee responsible for overseeing progress in the multilateral trade talks. Participants sidestepped GATT Director-General Long's efforts to formulate an outline for detailed discussions. The Committee adjourned until October.

Detailed consideration of substantive issues cannot begin until the United States and the European Community have negotiating mandates. The EC, reacting to a US statement that the Trade Reform Act would be passed by late October, requested that the exact date of the next TNC meeting be left open. [redacted]

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Discussions on trade liberalization will not begin until several months after EC and US negotiators have obtained the necessary mandates. Because of economic uncertainties and mounting balance-of-payments deficits, many countries are hesitant to negotiate significant reduction in trade barriers. Indeed, if economic conditions deteriorate further, domestic protectionist pressures may increase. [redacted]

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COPPER LEADS DECLINE IN WORLD METALS PRICES

Plummeting copper prices on the London Metal Exchange (LME) highlight the end of the recent metals price boom. Copper, lead, zinc, and tin have all declined from mid-May peaks, following 16 months of nearly steady upward movement.

Factors behind the current downturn include:

- Fall in demand in major consuming countries, particularly Japan, because of slower economic growth.
- Current high-interest rates that are discouraging further stock building.
- Market pessimism about price prospects exacerbated in the case of copper by early settlement of US wage negotiations.

Nonferrous metals prices have fallen to near the pre-Arab embargo levels. Copper prices fell from \$1.49 per pound in early May to 82.6 cents on 10 July, while zinc fell from 96.5 cents in early May to 45.1 cents on 3 July. The fall in the price of lead was somewhat less, from 35 cents a pound on 6 May to 23.6 cents on 1 July. Copper and lead prices are almost double the mid-1972 average, while the price of zinc has nearly tripled.

In contrast to prices on the LME, US producer prices for copper have risen with rising costs and the relaxation of US price controls. The London price approximates a world market price for copper, lead, zinc, tin, and silver and is frequently used by major producers and dealers in world trade, but US producers of copper, lead, and zinc maintain separate US prices. The US price is generally more stable than LME prices and usually is slower to reflect changing world supply-demand conditions. By mid-year the gap between falling LME prices and rising US producer prices for copper and lead had almost disappeared, while the gap in zinc prices was sharply reduced.

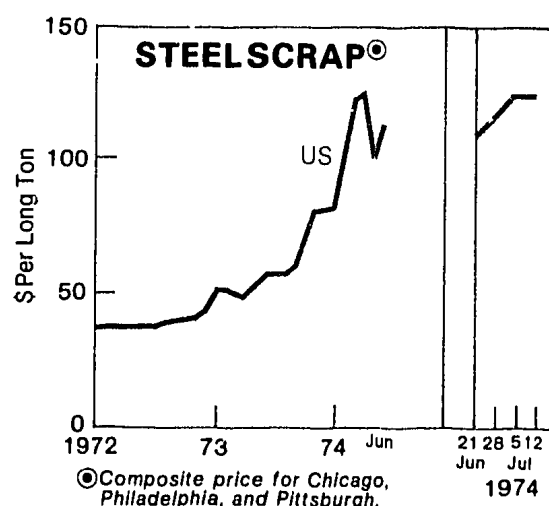
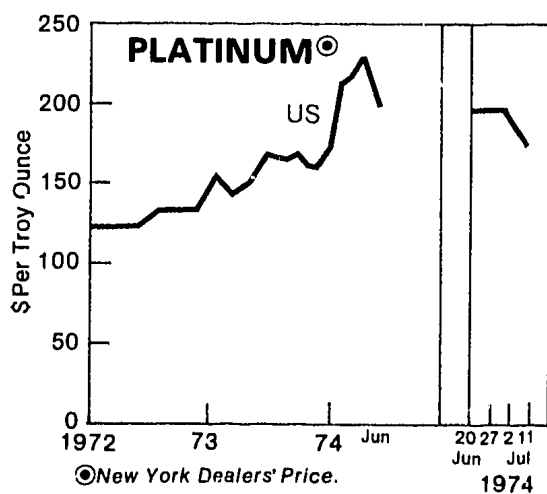
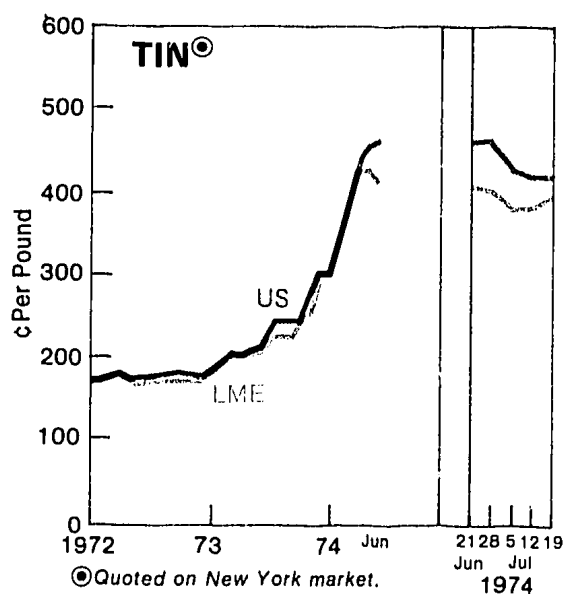
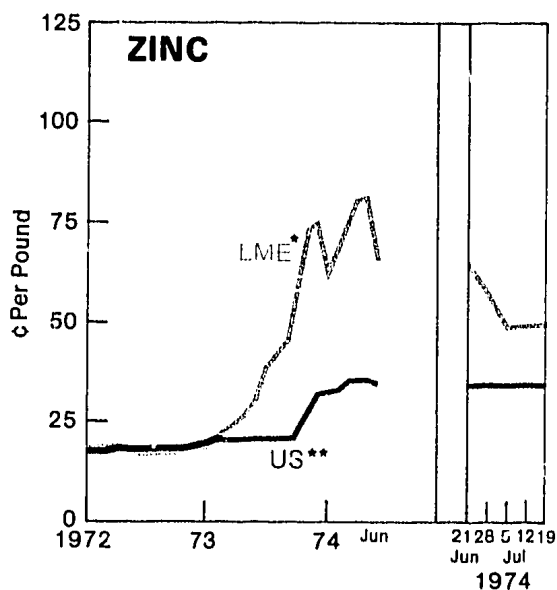
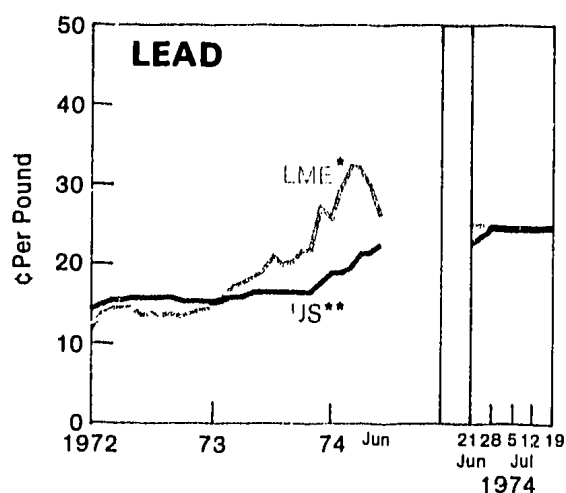
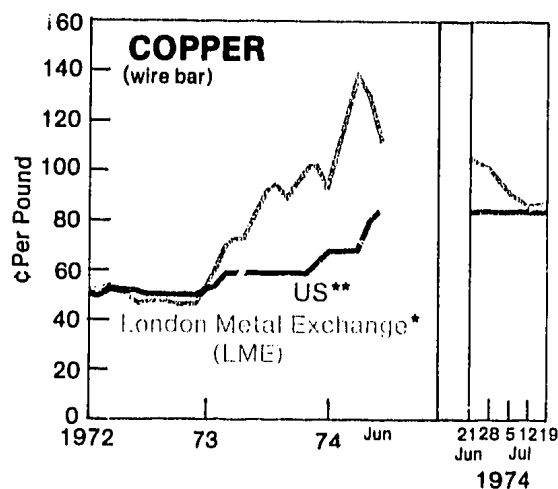
Paralleling the decline in gold prices, US platinum prices have drifted down to \$174 per troy ounce in July, following a rise at the beginning of the year that reached a peak of \$240 in February. Strong US demand for tin, however, bucked declining LME tin prices. In mid-July the US spot price was \$4.25 per pound, compared with the LME price of \$3.84. A continued high level of steel production has held steel scrap prices near peak levels.

Prospects for the second half of 1974 remain bearish, and LME prices probably will decline further so long as world industrial demand remains sluggish and interest rates high. Stocks of metals are still low, however, which makes prices more sensitive than usual to sudden shifts in supply or demand such as strikes, mining disasters, or political decisions to limit output. In any event, there will be upward pressure on US producer prices as a result of rising costs.

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METAL PRICES



*Approximates world market price; frequently used by major world producers and traders, although only small quantities of these metals are actually traded.

**Producers' price; covers most primary metal sold in US.

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IRAN: MORE ROOM TO LEND

The recent \$1.2 billion loan to the British government further demonstrates the Shah's determination to use oil revenues to further Iran's international influence. Iran's financial commitments to date absorb only a small part of the surplus oil revenues, and major additional moves are likely.

Iranian Financial Commitments

	Million US \$
Total	4,895
United Kingdom	1,200
France	1,000
India	1,000
Egypt	850
Pakistan	580
Syria	150
Sudan	65
Morocco	30
Jordan	8
Senegal	8
Tunisia	4

Since the outset of 1974 the Shah has taken a variety of steps to spend some of Iran's oil money. These have included:

- oil credits to India and Pakistan,
- aid to Egypt and Syria for various development projects,
- a billion dollar advance payment (spread over three years) to France for economic projects,
- purchase of 25% ownership in the Krupp steel plant (for \$60 million), and
- purchase of \$200 million in IBRD bonds
- as well as the British loan (spread over three years).

These commitments, totaling about \$5 billion, will be disbursed over the next few years. Total disbursement this year, however, will amount to only about \$1.2 billion. With oil revenues of \$21 billion and a probable current account surplus of some \$12 billion in 1974, Iran can easily expand its lending and foreign aid.

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EC Growth Forecasts

The EC Commission has released new 1974 GNP estimates that will be discussed at the finance ministers' meeting in Brussels this week. The Community is expected to grow at 2-1/2% for the year. Estimates for individual countries differ only slightly from the most recent OECD forecasts, with the exception of Italy. The EC projects Italian growth at 4% to 5%, compared with OECD's forecast of 3.2%. [REDACTED]

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Soviets Still Looking for Ammonia Plants

The Soviet Union is negotiating with Ensa, a French firm, to purchase additional ammonia plants for the fertilizer complex at Kuybyshev. The technology in Ensa's proposal is slated to be supplied by M.W. Kellogg. When Chemico was awarded a contract for at least \$215 million for the first four plants in June, it seemed that rising equipment costs had forced the Soviets to postpone purchase of the remaining four ammonia plants planned for Kuybyshev. [REDACTED]

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New Boosts in Fertilizer Prices

During the last three months, Soviet, US, and Venezuelan exporters have raised the price of urea from an average of \$250 per ton to \$400-\$440. West European suppliers of diammonium phosphate are quoting prices of up to \$485 per ton, almost double the price in April. Middle East exporters are offering to sell triple superphosphate for \$315 per ton, an increase of about \$100 in the last three months. Prices are likely to remain high until substantial new nitrogen and phosphate fertilizer capacity comes on stream in mid-1975. [REDACTED]

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Saudi Arabia Announces Record Budget

Saudi Arabia has budgeted expenditures of about \$12.8 billion for the fiscal year beginning 22 July, nearly four times last year's actual expenditures but less than one-half of planned revenues. [REDACTED]

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[REDACTED] Actual expenditures have been running at only about one-half the planned rate, and the planning guidelines for the economy in 1975 suggest that this situation will continue. Actual expenditures of about \$6 billion would yield an overall surplus of more than \$20 billion. [REDACTED]

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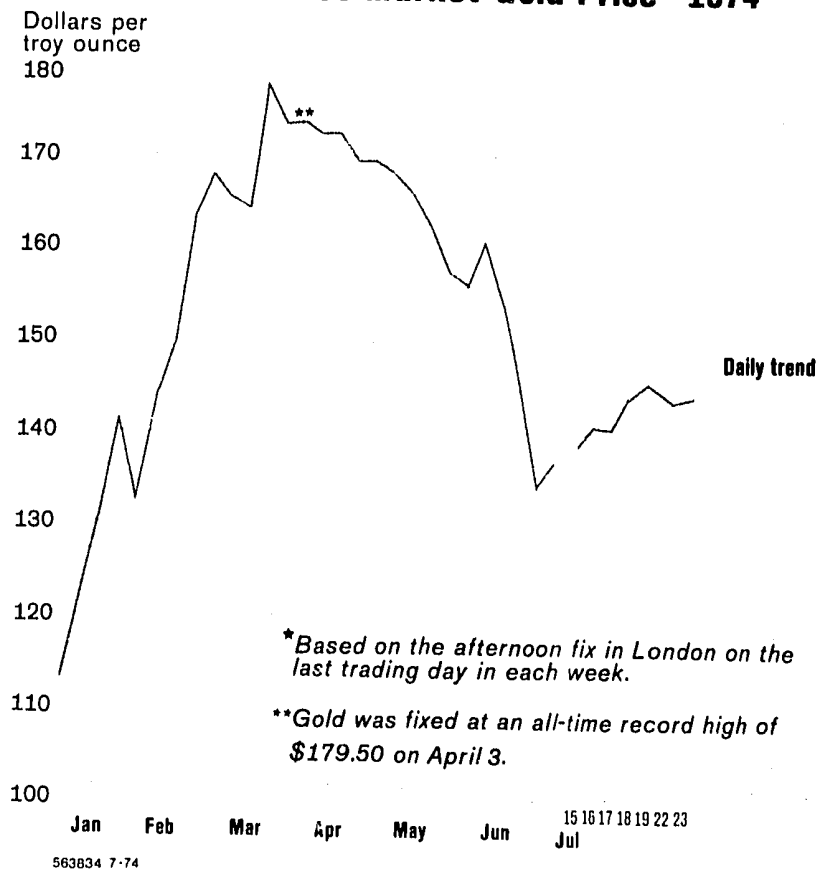
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Gold's Glitter Not Gone

The month-long slide in the free market gold price appears to have ended. Yesterday's London price was \$144 a troy ounce. The decline was due to a general weakening in prices of metals, the high interest cost of holding gold, and the belief that the Herstatt Bank had large bullion stocks that would have to be liquidated. Professional gold traders believe that the price will recover later this year – particularly if the ban on private gold holdings by US citizens is lifted.

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London Free Market Gold Price* 1974**Mexican Border Industries Continue Strong Gains**

Net exports to the United States by firms participating in Mexico's border industry program soared 68% to \$286 million in 1973 and seem likely to reach \$450 million this year. These firms import US-made components for assembly and re-export to the United States under tariff provisions that allow duty-free re-entry. Mexico is the largest re-exporter of US components, accounting for 36% of total US duty-free component imports in 1973.

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Chile's Wheat Problems

Santiago probably will be forced to import one million tons of wheat in 1975 - 40% more than had been predicted earlier. Violent storms in June delayed planting of about two-thirds of the winter wheat crop, and some of the grain already in the ground was destroyed. Part of the losses will be offset by expanded plantings of spring wheat and other grains such as corn. [REDACTED]

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Publications of Interest

The Soviet Economy in 1973: Performance, Plans, and Implications
(A (ER) 74-62, July 1974, [REDACTED])

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This publication assesses Soviet economic performance in 1973, examines plans and prospects for 1974, and discusses the implications of performance and plans for Soviet relations with the West.

Soviet Copper: An Overview
(ER RP 74-15, July 1974, [REDACTED])

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Since 1960 the USSR has steadily expanded its copper production and now ranks second only to the United States in world output. In 1964 the USSR became a net copper exporter and by 1973 increased its net exports to 232,000 tons, of which about two-fifths went to non-Communist countries. The Soviets hope to use foreign assistance to develop Siberian copper deposits, thus dramatically increasing production and exports.

INTERNAL ECONOMIC INDICATORS

GNP*
Constant Market Prices

	Percent Change		Average Annual Growth Rate Since		
	Latest Quarter	from Previous Quarter	1970	1 Year Earlier	Previous Quarter
United States	74 II	-0.3	3.8	-1.1	-1.2
Japan	74 I	-5.0	5.8	-3.8	-18.8
West Germany	74 I	1.5	3.3	-0.7	6.1
France	73 IV	1.8	5.8	5.7	7.3
United Kingdom	74 I	-3.5	1.9	-4.4	-13.3
Italy	73 IV	1.9	3.7	5.3	7.7
Canada	74 I	1.7	5.4	3.0	7.0

WHOLESALE PRICES
Industrial

	Percent Change		Average Annual Growth Rate Since		
	Latest Month	from Previous Month	1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	2.1	8.8	21.9	35.4
Japan	Jun 74	1.3	11.2	35.3	11.2
West Germany	May 74	1.2	7.1	14.4	18.5
France	May 74	-0.5	13.2	37.0	37.7
United Kingdom	May 74	2.1	10.9	24.5	35.8
Italy	May 74	0.7	14.5	43.0	35.8
Canada	Apr 74	2.8	11.1	23.0	34.6

INDUSTRIAL PRODUCTION*

	Percent Change		Average Annual Growth Rate Since		
	Latest Month	from Previous Month	1970	1 Year Earlier	3 Months Earlier**
United States	Jun 74	0	4.6	-0.1	2.4
Japan	May 74	2.0	7.4	2.6	-7.7
West Germany	May 74	0.8	3.5	0	0
France	May 74	2.4	6.1	2.4	-1.1
United Kingdom	May 74	-1.1	2.2	0.2	22.4
Italy	Apr 74	2.2	5.7	13.7	6.8
Canada	May 74	-0.5	6.2	2.6	2.5

CONSUMER PRICES

	Percent Change		Average Annual Growth Rate Since		
	Latest Month	from Previous Month	1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	1.0	6.1	11.1	11.7
Japan	May 74	0.3	11.3	23.1	15.7
West Germany	Jun 74	0.4	6.3	6.9	6.5
France	May 74	1.2	7.9	13.5	17.1
United Kingdom	May 74	1.4	10.5	18.0	25.3
Italy	Jun 74	1.3	9.5	13.6	16.9
Canada	Jun 74	1.3	6.5	11.4	15.5

RETAIL SALES*
Current Prices

	Percent Change		Average Annual Growth Rate Since		
	Latest Month	from Previous Month	1970	1 Year Earlier	3 Months Earlier**
United States	Jun 74	-0.7	9.2	7.6	10.7
Japan	Mar 74	-4.8	11.1	6.6	-1.8
West Germany	Mar 74	-4.8	7.1	1.9	9.4
France	Mar 74	0.8	7.1	9.8	13.8
United Kingdom	Mar 74	1.3	12.0	9.4	6.5
Italy	Dec 73	3.0	17.2	25.5	47.0
Canada	Apr 74	0.3	11.3	10.1	15.3

MONEY SUPPLY*

	Percent Change		Average Annual Growth Rate Since		
	Latest Month	from Previous Month	1970	1 Year Earlier	3 Months Earlier**
United States	Jun 74	0.1	6.8	5.8	10.7
Japan	Apr 74	-0.6	17.4	10.5	16.7
West Germany	Apr 74	0.3	9.1	0.4	9.5
France	Feb 74	-0.3	11.9	9.0	14.9
United Kingdom	May 74	-0.2	9.1	2.5	4.7
Italy	Dec 73	2.6	21.2	17.9	22.1
Canada	May 74	1.3	13.9	13.3	20.3

MONEY-MARKET RATES

		Percent Rate of Interest			
	Representative Rates	Latest Date	1 Year Earlier	3 Months Earlier	1 Month Earlier
			Earlier	Earlier	Earlier
United States	Prime finance paper	Jul 19	9.00	8.13	8.50
Japan	Call money	Jul 5	12.63	7.25	12.00
West Germany	Interbank loans (3 Months)	Jul 19	9.13	14.18	9.40
France	Call money	Jul 12	13.00	8.63	12.00
United Kingdom	Local authority deposits	Jul 19	13.34	8.63	12.93
Canada	Finance paper	Jul 19	11.55	7.53	10.85
Euro-Dollars	Three-month deposits	Jul 19	14.01	9.98	10.64

*Seasonally adjusted.
**Average for latest 3 months compared with average for previous 3 months.

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Office of Economic Research/CIA

Note: US data provided by US government agencies

EXTERNAL ECONOMIC INDICATORS

EXPORTS*
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	Latest Month	Cumulative		
		Million US \$		Percent Change
		1974	1973	
United States	May 74	7,630	38,251	26,384 45.0
Japan	Jun 74	4,636	24,616	18,890 47.5
West Germany	May 74	8,499	38,466	24,734 47.4
France	May 74	3,845	18,163	13,800 31.6
United Kingdom	Jun 74	3,280	17,111	13,613 25.7
Italy	May 74	2,183	11,015	7,508 46.7
Canada	May 74	2,802	12,812	10,077 26.9

EXPORT PRICES
US\$

	Latest Month	Percent Change from Previous Month		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier
		Month	1970	1 Year Earlier	3 Months Earlier
United States	May 74	-0.2	11.2	26.1	13.2
Japan	May 74	2.2	17.2	35.9	38.2
West Germany	Apr 74	5.1	15.1	27.6	102.3
France	Jan 74	-5.9	11.1	18.9	-35.2
United Kingdom	Mar 74	7.2	11.0	19.4	49.6
Italy	Jan 74	-1.2	10.0	19.1	-8.8
Canada	Mar 74	7.2	14.2	41.3	86.1

IMPORTS*
f.o.b.

	Latest Month	Cumulative		
		Million US \$		Percent Change
		1974	1973	
United States	May 74	8,407	38,249	27,293 40.1
Japan	Jun 74	4,658	26,204	14,190 84.7
West Germany	May 74	8,026	25,673	19,298 33.0
France	May 74	4,482	19,859	13,281 49.5
United Kingdom	Jun 74	4,422	23,234	15,498 49.9
Italy	May 74	2,868	14,454	8,517 69.7
Canada	May 74	2,635	12,196	9,220 32.0

EXPORT PRICES
National Currency

	Latest Month	Percent Change from Previous Month		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier
		Month	1970	1 Year Earlier	3 Months Earlier
United States	May 74	-0.2	11.2	26.1	13.2
Japan	May 74	2.6	9.7	42.8	14.0
West Germany	Apr 74	1.3	4.4	13.6	31.9
France	Jan 74	3.2	8.0	17.6	31.3
United Kingdom	Mar 74	4.2	11.8	26.4	44.5
Italy	Jan 74	4.9	10.9	31.3	52.2
Canada	Mar 74	6.6	11.9	37.8	68.8

TRADE BALANCE*
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	Latest Month	Cumulative (Million US \$)		
		Million US \$		Change
		1974	1973	
United States	May 74	-777	2	-909 911
Japan	Jun 74	-21	-1,588	2,501 -4,089
West Germany	May 74	2,473	10,793	5,435 5,357
France	May 74	-637	-1,696	519 -2,215
United Kingdom	Jun 74	-1,141	-6,123	-1,885 -4,238
Italy	May 74	-686	-3,439	-1,010 -2,429
Canada	May 74	167	610	856 -242

IMPORT PRICES
National Currency

	Latest Month	Percent Change from Previous Month		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier
		Month	1970	1 Year Earlier	3 Months Earlier
United States	May 74	1.3	18.9	48.7	79.4
Japan	May 74	2.5	17.4	82.4	18.4
West Germany	Apr 74	-0.6	5.9	23.3	19.4
France	Jan 74	14.9	11.3	33.0	127.4
United Kingdom	Mar 74	6.4	20.9	60.9	107.4
Italy	Jan 74	10.8	19.6	65.5	125.4
Canada	Mar 74	11.9	11.1	33.8	103.0

BASIC BALANCE**
Current and Long-Term-Capital Transactions

	Latest Period	Cumulative (Million US \$)		
		Million US \$		Change
		1973	1972	
United States*	74 I	2,065	2,065	-1,006 3,071
Japan	Jun 74	-4	-7,215	-4,373 -2,841
West Germany	Apr 74	860	3,253	917 2,336
France	73 IV	-352	-2,391	-388 -2,022
United Kingdom	73 IV	-1,394	-3,164	-1,954 -1,210
Italy	73 II	-336	639	971 -332
Canada	74 I	-195	-195	-191 -4

EXCHANGE RATES
Spot Rate
As of 19 Jul 74

	US \$ Per Unit	Percent Change from			
		Dec 66	18 Dec 1971	19 Mar 1973	12 Jul 1974
		1971	1973	1974	1974
Japan (Yen)	0.0034	24.61	5.88	-9.60	-0.15
West Germany (Deutsche Mark)	0.3925	56.13	26.49	10.84	0.36
France (Franc)	0.2095	3.76	6.40	-4.95	0.90
United Kingdom (Pound Sterling)	2.3928	-14.25	-8.17	-2.77	0.31
Italy (Lira)	0.0016	-2.81	-9.53	-12.09	0.26
Canada (Dollar)	1.0206	10.65	2.29	2.30	-0.45

OFFICIAL RESERVES

	Latest Month	Billion US \$		
		Billion US \$		3 Months Earlier
		Jun 1970	1 Year Earlier	
United States	May 74	14.9	14.5	12.9 14.6
Japan	Jun 74	13.4	4.1	15.2 12.4
West Germany	May 74	34.4	8.8	31.4 32.0
France	May 74	8.2	4.4	11.6 8.1
United Kingdom	Jun 74	6.7	2.8	7.0 6.4
Italy	May 74	5.5	4.7	6.2 5.4
Canada	Jun 74	6.1	4.3	6.0 6.1

TRADE-WEIGHTED EXCHANGE RATES***

	Percent Change from			
	Dec 66	18 Dec 1971	19 Mar 1973	12 Jul 1974
	1971	1973	1974	1974
United States	-16.06	-6.73	-0.12	0.05
Japan	13.89	0.23	-11.62	-0.19
West Germany	31.50	14.48	9.45	0.03
France	-19.38	-5.94	-8.39	0.71
United Kingdom	-34.12	-19.94	-5.57	0.09
Italy	-25.04	-23.71	-16.80	-0.13
Canada	7.57	0.99	2.62	-0.50

*Seasonally adjusted.

**Converted into US dollars at current market rates of exchange.

24 July 1974

***Weighting is based on each listed country's trade with 18 other industrialized countries to reflect the competitive impact of exchange-rate variations among the major currencies.